

Sherman County

Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

6/14/2018

Using the most recent IMPLAN data available (2016) adjusted for 2018, 13 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Sherman County economy.¹

These 13 sectors have a total direct output of approximately **\$220.3 million** and support **469 jobs** in Sherman County. Running the model for all 13 sectors simultaneously produces the following results:

Agriculture, Food, and Food Processing Sector Contribution to Overall Sherman County Economy						
Impact Type ²	Employment	% Employment	Total Value Added ³	Total Value Added % of Gross Regional Product ⁴	Output ⁵	Output % of Gross Regional Product
Direct Effect	468.7	12.28%	\$27,705,985	12.01%	\$220,269,049	95.48%
Indirect Effect	252.3	6.61%	\$23,121,096	10.02%	\$42,010,889	18.21%
Induced Effect	188.3	4.93%	\$11,103,457	4.81%	\$19,943,552	8.64%
Total Effect	909.3	23.82%	\$61,930,538	26.85%	\$282,223,490	122.34%

As shown in the above table, agriculture, food, and food processing sectors support **909 jobs**, or **23.82%** of the entire workforce in the county. These sectors provide a total economic contribution of approximately **\$282.2 million**, roughly **122.34% of the economy**.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 13 agriculture, food, and food processing sectors is approximately **\$61.9 million**, or **26.85% of the GRP**. This indicates that personal income, business income, and taxes generated by these sectors account for **26.85% of the total economy**.

The following tables document the top industries affected by employment and output, as well as a listing of all industries that were analyzed.

¹ Article on building a contribution analysis in IMPLAN that avoids double counting:

http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70

² Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

³ Value added = labor income + indirect business taxes + other property type income.

⁴ GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

⁵ Output = intermediate inputs + value added.

In the top ten agriculture, food, and food processing sectors by employment, the grain farming sector is the top employer with **199 employees**. This table also shows the amount of jobs that are created by the agriculture industry in Sherman County.

Top Ten Agriculture, Food, and Food Processing Sectors by Employment		
Sector	Total Employment	Total Output
Grain farming	198.7	\$100,997,980
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	193.6	\$33,768,217
Wholesale trade	105.6	\$22,815,595
Truck transportation	37.1	\$6,175,271
Monetary authorities and depository credit intermediation	23.3	\$4,354,952
Limited-service restaurants	19.8	\$1,439,088
Animal production, except cattle and poultry and eggs	19.3	\$2,887,469
Spice and extract manufacturing	16.8	\$8,280,554
Real estate	15.7	\$1,290,155
Soybean and other oilseed processing	14.8	\$65,997,379

The grain farming sector directly contributes approximately **\$101.0 million** to the Sherman County economy. The table below also shows the amount of revenue that is generated in other industries by having a strong agriculture industry.

Top Ten Agriculture, Food, and Food Processing Sectors by Output		
Sector	Total Employment	Total Output
Grain farming	198.7	\$100,997,980
Soybean and other oilseed processing	14.8	\$65,997,379
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	193.6	\$33,768,217
Wholesale trade	105.6	\$22,815,595
Spice and extract manufacturing	16.8	\$8,280,554
Truck transportation	37.1	\$6,175,271
Oilseed farming	3.7	\$5,156,118
Owner-occupied dwellings	0.0	\$4,501,210
Monetary authorities and depository credit intermediation	23.3	\$4,354,952
Animal production, except cattle and poultry and eggs	19.3	\$2,887,469

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture, food, and food processing sector and the output they contributed to the Sherman County economy.

All Agriculture, Food, and Food Processing Sectors		
Sector	Total Employment	Total Output
Oilseed farming	3.7	\$5,156,117.52
Grain farming	198.7	\$100,997,979.89
All other crop farming	9.4	\$960,491.26
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	193.6	\$33,768,216.74
Poultry and egg production	0.3	\$169,244.19
Animal production, except cattle and poultry and eggs	19.3	\$2,887,469.19
Commercial hunting and trapping	1.6	\$32,657.20
Soybean and other oilseed processing	14.8	\$65,997,379.36
Bread and bakery product, except frozen, manufacturing	4.4	\$525,300.32
Frozen cakes and other pastries manufacturing	0.3	\$43,325.37
Spice and extract manufacturing	16.8	\$8,280,554.28
Farm machinery and equipment manufacturing	3.3	\$1,244,773.12
Veterinary services	2.6	\$205,540.47

All 105 counties in Kansas have an IMPLAN model and an agriculture, food, and food processing contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Sherman County, the retail sector was omitted.